

under §§1.1402(e)–2A and 1.1402(e)–3A. The statement shall contain the information set forth in paragraph (b)(1)(ii) of this section and shall be signed by such individual under penalties of perjury.

(c) *Verification of application*—(1) *In general.* The Service will approve an application for an exemption filed by an individual to whom this section applies only after verifying that the individual applying for the exemption is aware of the grounds on which the individual may receive an exemption under section 1402(e) (See §1.1402(e)–2A) and that the individual seeks exemption on such grounds in accordance with the procedures set forth in paragraph (c)(2) of this section.

(2) *Verification procedure.* Upon receipt of an application for exemption from self-employment taxes under section 1402(e) and this section, the Service will mail to the applicant a statement that describes the grounds on which an individual may receive an exemption under section 1402(e). The individual filing the application shall certify that he or she has read the statement and that he or she seeks exemption from self-employment taxes on the grounds listed in the statement. The certification shall be made by signing a copy of the statement under penalties of perjury and mailing the signed copy to the Service Center from which the statement was issued not later than 90 days after the date on which the statement was mailed to the individual. If the signed copy of the statement is not mailed to the Service Center within 90 days of the date on which the statement was mailed to the individual, that individual's exemption will not be effective until the date that the signed copy of the statement is received at the Service Center.

[T.D. 8136, 52 FR 12162, Apr. 15, 1987, redesignated and amended at T.D. 8221, 53 FR 33461, Aug. 31, 1988]

**§ 1.1402(e)(1)–1 Election by ministers, members of religious orders, and Christian Science practitioners for self-employment coverage.**

(a) *In general.* Any individual who is (1) a duly ordained, commissioned, or licensed minister of a church or a member of a religious order (other than

a member of a religious order who has taken a vow of poverty as a member of such order) or (2) a Christian Science practitioner may elect to have the Federal old-age, survivors, and disability insurance system established by title II of the Social Security Act extended to service performed by him in the exercise of his ministry or in the exercise of duties required by such order, or in the exercise of his profession as a Christian Science practitioner, as the case may be. Such an election shall be made by filing a certificate on Form 2031 in the manner provided in paragraph (b) of this section and within the time specified in §1.1402(e)(2)–1. If a minister or member to whom this section has application, or a Christian Science practitioner, makes an election by filing Form 2031 such individual shall, for each taxable year for which the election is effective (see §1.1402(e)(3)–1), be considered as carrying on a trade or business with respect to the performance of service in his capacity as a minister or member, or as a Christian Science practitioner, as the case may be.

(b) *Waiver certificate.* The certificate on Form 2031 shall be filed in triplicate with the district director of internal revenue for the internal revenue district in which is located the legal residence or principal place of business of the individual who executes the certificate. If such individual has no legal residence or principal place of business in any internal revenue district, the certificate shall be filed with the Director of International Operations, Internal Revenue Service, Washington, DC 20225, or at such other address as is designated in the instructions relating to the certificate. The certificate must be filed within the time prescribed in §1.1402(e)(2)–1. If an individual to whom paragraph (a) of this section has application submits to a district director of internal revenue a dated and signed statement indicating that he desires to have the Federal old-age, survivors, and disability insurance system established by title II of the Social Security Act extended to his services, such statement will be treated as a waiver certificate, if filed within the time specified in §1.1402(e)(2)–1, provided that without unnecessary delay such

statement is supplemented by a properly executed Form 2031. An application for a social security account number filed on Form SS-5 or the filing of an income tax return showing an amount representing self-employment income or self-employment tax shall not be construed to constitute an election referred to in § 1.1402(e)(1)-1.

**§ 1.1402(e)(2)-1 Time limitation for filing waiver certificate.**

(a) *General rule.* (1) Any individual referred to in § 1.1402(e)(1)-1 who desires to have the Federal old-age, survivors, and disability insurance system established by title II of the Social Security Act extended to his services must file the waiver certificate (Form 2031) prescribed by § 1.1402(e)(1)-1 on or before whichever of the following dates is later:

(i) The due date of the income tax return (see section 6072), including any extension thereof (see section 6081), for his second taxable year ending after 1963; or

(ii) The due date of the income tax return, including any extension thereof, for his second taxable year ending after 1954 for which he has net earnings from self-employment (computed as prescribed in paragraph (c) of this section) of \$400 or more, any part of which:

(a) In the case of a duly ordained, commissioned, or licensed minister of a church, consists of remuneration for service performed in the exercise of his ministry,

(b) In the case of a member of a religious order who has not taken a vow of poverty as a member of such order, consists of remuneration for service performed in the exercise of duties required by such order, or

(c) In the case of a Christian Science practitioner, consists of remuneration for service performed in the exercise of his profession as a Christian Science practitioner.

(2) If a minister, a member of a religious order, or a Christian Science practitioner derives gross income in a taxable year both from service performed in such capacity and from the conduct of another trade or business, and the deductions allowed by chapter 1 of the Internal Revenue Code which

are attributable to the gross income derived from service performed in such capacity equal or exceed the gross income derived from service performed in such capacity, no part of the net earnings from self-employment (computed as prescribed in paragraph (c) of this section) for the taxable year shall be considered as derived from service performed in such capacity.

(3) The application of the rules set forth in subparagraphs (1) and (2) of this paragraph may be illustrated by the following examples:

*Example (1).* M was ordained as a minister in May 1963. During each of the taxable years 1963 and 1966, M, who makes his income tax returns on a calendar year basis, derives net earnings in excess of \$400 from his activities as a minister. M has net earnings of \$350 for each of the taxable years 1964 and 1965, \$200 of which is derived from service performed by him as a minister. If M wishes to have the Federal old-age, survivors, and disability insurance system established by title II of the Social Security Act extended to his service as a minister, he must file the waiver certificate on or before the due date of his income tax return for 1966, or any extension thereof.

*Example (2).* M, who was ordained a minister in January 1965, is employed as a toolmaker by the XYZ Corporation for the taxable years 1965 and 1966 and also engages in activities as a minister on weekends. M makes his income tax return on the basis of a calendar year. During each of the taxable years 1965 and 1966, M receives wages of \$4,800 from the XYZ Corporation and derives \$400 (all of which constitutes net earnings from self-employment computed as prescribed in paragraph (c) of this section) from his activities as a minister. In such case if M wishes to have the Federal old-age, survivors, and disability insurance system established by title II of the Social Security Act extended to his services as a minister, he must file the waiver certificate on or before the due date of his income tax return for 1966, or any extension thereof. A waiver certificate filed after such date will be invalid. It should be noted that although by reason of section 1402(b)(1)(C) no part of the \$400 for the taxable year 1965 represents "self-employment income", nevertheless the entire \$400 constitutes "net earnings from self-employment" for purposes of fulfilling the requirements of section 1402(e)(2).

*Example (3).* M, who files his income tax returns on a calendar year basis, was ordained as a minister in June 1964. During 1964 he receives \$410 for services performed in the exercise of his ministry. In addition to his ministerial services, M is engaged during the year 1964 in a mercantile venture from which